

TEACHERS' RETIREMENT BOARD  
EXECUTIVE COMPENSATION COMMITTEE

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SUBJECT: Exempt Salary Ranges

ITEM NUMBER: 4

ATTACHMENT(S): I

ACTION: X

DATE OF MEETING: September 2, 1998

INFORMATION: \_\_\_\_\_

PRESENTER Ms. Plett

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At the August 5, 1998 meeting, the Executive Compensation Committee asked that staff bring forward a proposal to establish base pay salary ranges for the Chief Executive Officer, the exempt positions in Investments, and the Chief Counsel. Staff is bringing forward the following base pay range recommendations, a suggested review cycle for range adjustments, and a delegation to the CEO for salary movement within the range for the exempt positions with the exception of the Chief Executive Officer position.

Base Pay Ranges

Staff is proposing that the Committee adopt the pay ranges listed below. The range for the Chief Investment Officer position was previously adopted in 1996 at the conclusion of the Watson-Wyatt cooperative study. The range recommendations for the Chief Executive Officer and Chief Counsel approximate those approved by the PERS Board, while the proposed ranges for the Investment managers are below the comparable PERS range. Attachment I provides a summary of the CalPERS Exempt Executive Compensation.

POSITION	CURRENT SALARY	PROPOSED SALARY RANGE
Chief Executive Officer	\$130,000	\$120,000 – 140,000
Chief Investment Officer	\$200,000	\$185,000 – 230,000*
Director, Fixed Income	\$100,000**	\$100,000 – 120,000
Director, Alternative Investments	\$110,000	\$100,000 – 120,000
Director, Real Estate	\$100,000	\$100,000 – 120,000
Chief Counsel	\$105,000	\$100,000 – 120,000

\* Note the range for the CIO was previously approved.

\*\*Salaries for the exempts in Investments and Chief Counsel do not reflect current year adjustments for cost of living increases.

#### Review Cycle

Staff recommends that the base pay ranges for each of the positions identified above be reviewed on a three-year cycle. As the initial placement in the ranges generally occurred in 1997-1998, the next adjustment of the ranges would occur at the commencement of the 2000/2001 Fiscal Year which coincides with the CALPERS schedule for range adjustment. Staff proposes to partner with CalPERS for salary surveys and benchmarking activities.

#### CEO Delegation

The Committee directed that the CEO have the authority to make salary adjustments within the authorized ranges on an annual basis for all exempt positions (excluding the CEO position). The CEO shall consider, but not be limited to consideration of, cost-of-living-adjustments (COLA) provided to civil service employees.